



Committee for Development Policy

United Nations Department of Economic and Social Affairs

Development Policy and Analysis Division

Graduation from the least developed country category

Briefing for delegations organized by the CDP Secretariat

New York, June 25th, 2015

The briefing

- Introduction: objectives and rules of the game
 1. Overview of the LDC category
 2. The LDC criteria
 3. International support measures
 4. Graduation process: first and second findings
 5. Smooth transition
- Closing



Committee for Development Policy

United Nations Department of Economic and Social Affairs

Development Policy and Analysis Division

Overview: graduation from the least developed country category

Ana Luiza Cortez, Secretary
Committee for Development Policy
New York, June 25th, 2015

Background

- Concern about countries consistently lagging behind
- Category created in 1971
- Special measures for catching up with other developing countries
- From 25 to 48 Countries; 4 graduations, 3 more in the pipeline

- Countries identified triennially; inclusion to and graduation from the category:
 - Committee for Development Policy
 - Economic and Social Council
 - General Assembly

- Using a set of indicators and additional information

LDC = Low-income countries + facing structural handicaps to sustainable development

- GNI per capita (as a measure of income)
- Structural impediments to **sustainable development**:
 1. Level of human development measured by the Human Asset Index (HAI),
 2. Structural vulnerability to shocks proxied by the Economic Vulnerability Index (EVI)

LDC status → Access to Special International Support Measures (ISMs)

A. Official Development Assistance:

- ⇒ Financial flows and technical assistance
- ⇒ Bilateral and multilateral donors

B. International trade:

- ⇒ Preferential Market Access
- ⇒ SDT on WTO obligations
- ⇒ Others

C. General support:

- ⇒ Caps contribution to UN budget, PKO discount contributions
- ⇒ Travel funds
- ⇒ Others

- ⇒ Since 1981, support by the development partners framed by the Programmes of Action for LDCs

Graduation

Legislation:

- General Assembly Resolution 59/209
- General Assembly Resolution 67/221
- Ecosoc resolution 2013/20
- Ecosoc resolution 2007/34

Additional information:

- CDP reports 2007 and 2013
- CDP website

Graduation Rules

- Country meets eligibility criteria
- **Eligibility:**
 - ✓ Country no longer meets any 2 criteria; **OR**
 - ✓ Income > double income graduation threshold
- Not a mechanical process:
 - Country consultations
 - DESA ex-ante impact assessment
 - UNCTAD vulnerability profile

Asymmetries:

- Graduation > Inclusion
- Failing 2 rather than 1 criterion
- Eligibility ascertained twice
- Country need not to agree
- Graduation effective after 3 years

Graduation timeline I

Myanmar



Year 0 : first finding (triennial review #1)



Bhutan, Nepal, São Tome and Principe, Solomon Islands, Timor-Leste



Year 0 to Year 3: vulnerability profile (UNCTAD) and impact assessment (UN-DESA); [graduation mainstreaming, ISM cataloguing (sectors, users, suppliers, etc.)]

Year 3: second finding (triennial review #2)

→ *Kiribati*

1. CDP recommendation

Tuvalu



2. ECOSOC endorsement

Angola



3. General Assembly takes note

Equatorial Guinea, Vanuatu



Graduation timeline II

Year 3 to Year 6: preparation transition strategy

Equatorial Guinea

Vanuatu



Year 6 : GRADUATION



Year 6 to years 13-15: smooth transition and CDP monitoring

Maldives (2011), Samoa (2014)



Beyond:

Botswana, Cape Verde

NEXT: THE LDC CRITERIA